



Patrick W. Henning, Director
May 27, 2009
22M:385:DEJ:9041



Arnold Schwarzenegger
Governor

Mr. Phillip L. Dunne
Foothill Workforce Investment Board
1207 East Green Street
Pasadena, CA 91106

Dear Mr. Dunne:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Foothill Workforce Investment Board's (FWIB) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. David Jansson from November 3, 2008 through November 7, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by FWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with FWIB representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, FWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on February 18, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed finding two cited in the draft report, no further action is required at this time. However, this issue will remain open until we verify your implementation of

your stated corrective action plan. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90057. Additionally, we cannot close findings one, three and four until we verify, during a future onsite visit, FWIB's successful implementation of its stated corrective action. Until then, these findings are assigned CATS numbers 90056, 90058 and 90059 respectively.

BACKGROUND

The FWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, FWIB was allocated: \$494,606 to serve 110 adult participants; \$482,543 to serve 110 youth participants; and \$546,453 to serve 125 dislocated worker participants.

For the quarter ending September 30, 2008, FWIB reported the following expenditures for its WIA programs: \$85,850 for adult participants; \$2,058 for youth participants; and \$155,021 for dislocated worker participants. In addition, FWIB reported the following enrollments: 91 adult participants; 74 youth participants; and 105 dislocated worker participants. We reviewed case files for 27 of the 74 participants enrolled in the WIA Youth Services program as of November 3, 2008.

PROGRAM REVIEW RESULTS

While we conclude that, overall, FWIB is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: FWIB composition, Youth Council membership, program complaint and grievance notifications, and case management. The findings that we identified in these areas, our recommendations, and FWIB's proposed resolution of the findings are specified below.

FINDING 1

Requirement:

WIA Section 117(b)(2)(A)(iii) states, in part, that WIB board composition shall include members of labor organizations, nominated by local labor federations, or other representatives of employees.

20 CFR Section 661.315 states, in part, that membership of Local Boards must contain two or more members representing the categories described in WIA Section 117(b)(2)(A), including labor representatives. Additionally, the majority of the board must be representatives of business in the local area.

SB 293 states, in part, that UI Code 14202 (c) added as required Local Workforce Investment Board (LWIB) members representatives of labor organizations nominated by local labor federations, including a representative of an apprenticeship program. At least 15 percent of local board members shall be representatives of labor organizations unless the local labor federation fails to nominate enough members. If this occurs, then at least 10 percent of the local board members shall be representatives of labor organizations.

Observation:

We observed that the 39 member FWIB does not have the required 15 percent labor representation. Although FWIB is in the process of obtaining nominees, the positions have been vacant for almost two years. The FWIB currently has 2 labor representatives; to achieve a 15 percent labor representation, FWIB needs to appoint 4 more labor representatives

Recommendation:

We recommended that FWIB provide Compliance Review Division (CRD) a corrective action plan (CAP) along with a timeline for filling those vacancies while maintaining a business majority. Additionally, we recommended that FWIB provide documentation of WIB appointments to CRD.

FWIB Response:

The FWIB stated that their WIB membership level is 32, not 39 as stated in the draft report. The FWIB provided documentation and clarification noting the 32 seat board. Therefore, FWIB states that it's labor membership goal is three additional representatives to reach a 15 percent labor membership and satisfy the requirements of SB 293. The FWIB stated that they have been actively soliciting local labor federations to obtain candidates. The FWIB stated these membership applications went before the full WIB at the March 19, 2009 WIB meeting; FWIB stated they will forward copies of the agenda and meeting minutes when they are available.

State Conclusion:

The FWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify FWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90056.

FINDING 2

Requirement:

WIA Section 117(h)(2)(a)(v) states, in part, that Youth Council membership shall include individuals, including former participants, and representatives of organizations, that have experience relating to youth activities.

California Senate Bill (SB) 293 changes Youth Council membership by directing the Local Workforce Investment Board (LWIB) and local chief elected officer to appoint representatives of youth who are enrolled in school as one area of representation, as well as youth who are out-of-school as a separate area of representation.

Observation:

We observed that the FWIB Youth Council neither has representatives of youth who are enrolled in school nor representatives for out-of-school youth.

Recommendation:

We recommended that FWIB provide CRD with a CAP and a timeline to appoint representatives of in school and of out-of-school youth. Additionally, we recommended that FWIB forward documentation of the appointments to CRD.

FWIB Response:

The FWIB stated, in part, that due to Workforce Investment Act Directive (WIAD) 06-17, Local Workforce Investment Areas (LWIAs) are only directed to consider this range of representation to be an important goal. The FWIB stated that in order to live up to the spirit of SB 293, FWIB shall appoint representatives of in-school and out-of-school youth no later than June 30, 2009. Additionally, FWIB will forward minutes of the Youth Council meeting during which the appointments occurred.

State Conclusion:

The FWIB's stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify FWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90057.

FINDING 3

Requirement:

WIA Section 185(c)(2) states, in part, that each local board and recipient receiving funds shall maintain comparable management information systems (MIS), designed to facilitate the uniform compilation and analysis of programmatic, participant and financial data necessary for monitoring and evaluating purposes.

In addition, WIA Section 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

The Department of Labor, Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that the term program exit means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last date of service.

Additionally, TEGL 17-05 states, in part, that once a participant has not received any WIA funded or partner services for 90 days (except follow-up services, and there is no planned gap in service or the planned gap in service is for reasons other than those related to health/medical condition and delay in training) that participants must be exited from WIA. The exit date is the last date of WIA funded or partner received services.

Observation:

We observed three participant case files with service gaps of 90 days or more. Case notes substantiate no service delivery for any of the observed participant files during the gap of 90 days or more. One participant was exited nine months and nine days after the last direct contact/service delivery; the two other participants remain enrolled.

Recommendation:

We recommended that FWIB provide documentation demonstrating the two enrolled participants are receiving services, or exit them and provide CRD documentation of its action. Additionally, we recommended that FWIB provide

CRD with a CAP, including a timeline, to ensure in the future there are no breaks in service over 90 days.

FWIB Response:

The FWIB stated in its response that the two participants were exited as of the last date of WIA service provided and submitted JTA reports to document this action.

Additionally, FWIB stated that to ensure in the future that there are no breaks in service over 90 days, case management and Management Information Systems (MIS) staff will be informed of the policy in writing. In addition, FWIB's MIS analyst shall, on a quarterly basis, do a sampling of participant files to determine if there are any such breaks in service. If any are found, the appropriate case manager shall be required to exit the client or document in case notes that services have been provided in that 90 day period.

State Response:

Although FWIB's stated corrective action should be sufficient to resolve this issue, we cannot close this issue until we confirm FWIB's successful implementation of their CAP during a future on-site review. Until then, this issue remains open and has been assigned CATS number 90058.

FINDING 4

Requirement:

WIA Section 181(c) states, in part, that each State and local area receiving an allotment under this title shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this title from participants and other interested or affected parties.

20 CFR Section 667.600(a) states, in part, that each local area and direct recipient of WIA funds must establish and maintain a procedure for grievances and complaints. Section 667.600(b)(2) requires that every entity receiving Title I funds must provide information about the content of grievance and complaint procedures to participants receiving Title I funded services

WSD08-4 states, in part, that a copy of an acknowledgement of receipt of the local grievance and complaint procedures shall be signed by the participant and included in each participant's case file.

Observation: We observed that none of the 27 case files reviewed included a signed acknowledgement of receipt of the local grievance and complaint procedures. We found a similar issue in PY 2006-07.

Recommendation: In PY 2006-07, we observed that FWIB had a similar concern. In their response to our recommendation to provide CRD a CAP stating how they will ensure compliance with the above citations, they stated that all participants will sign the grievance and complaint procedures acknowledgement form which will be maintained in each participant's case file. Additionally, FWIB stated that the use of the form by its youth contractors will be monitored during its on-site monitoring process. However, we found evidence that FWIB was unsuccessful in implementing its CAP.

Therefore, we again recommended that FWIB provide CRD with a CAP outlining how it will ensure each participant will sign an acknowledgement of receipt of program complaint and grievance procedures in the future. We recommended that the CAP must include a plan to obtain signatures of all currently enrolled participants, along with a timeline to implement this process. Additionally, we recommended that FWIB provide documentation to CRD of their efforts to resolve this area of noncompliance.

FWIB Response: The FWIB's response stated that all new participants will sign a Program Complaint and Grievance Procedures Acknowledgement form. The form shall be signed by participants at one of the initial meetings with case managers. Additionally, FWIB also stated they will have as many currently enrolled participants as practical sign the form during subsequent case management meetings. The form shall be maintained in each participant's case file. Finally, FWIB stated that youth contractors will be required to use the form.

State Conclusion: The FWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, FWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90059.

May 27, 2009

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than June 24, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Division
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is FWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain FWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me or Ms. Mechelle Hayes at (916) 654-7005, or Mr. David Jansson at (916) 654-7690.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50
Larry Scaramella, MIC 50